

State of Kansas
Office of the State Bank Commissioner

Notice of Hearing on Proposed Administrative Regulations

June 19, 2014

A public hearing will be conducted on Tuesday, August 26, 2014 at 11:00 a.m. in the Third Floor conference room of the Office of the State Bank Commissioner, 700 SW Jackson, Suite 300, Topeka, Kansas to consider the adoption of amendments to K.A.R. 17-24-2 and K.A.R. 17-25-1.

This 60-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed rule and regulation. All interested parties may submit written comments prior to the hearing to the Office of the State Bank Commissioner, 700 SW Jackson, Suite 300, Topeka, Kansas 66603 or by email to amber.capoun@osbckansas.org. All interested parties will be given a reasonable opportunity to present their views orally regarding the adoption of the proposed regulation during the public hearing. In order to provide all parties an opportunity to present their views, it may be necessary to request that each participant limit any oral presentation to five minutes.

Any individual with a disability may request an accommodation in order to participate in the public hearing and may request the proposed regulation and economic impact statement in an accessible format. Requests for accommodation to participate in the hearing should be made at least five working days in advance of the hearing by contacting Amber Capoun at (785) 296-1537 or amber.capoun@osbckansas.org.

The proposed regulation amendments are for adoption on a permanent basis. A copy of the proposed amended regulation and Economic Impact Statement can be obtained by contacting Amber Capoun. A summary of the proposed amendments and the economic impact follows:

K.A.R. 17-11-21. Mortgage business fees. The proposed amendment to K.A.R. 17-24-2 will reduce the amount of fees on mortgage businesses in the state of Kansas to submit new or renewal applications for both principal places of business and branch offices. It will also reduce the fees for mortgage loan originators to submit new or renewal registrations. The proposed amended regulation will also abolish the fee for mortgage businesses or loan originators to submit amendments to the Office of the State Bank Commissioner.

There will be no economic impact to the Office of the State Bank Commissioner or other governmental agencies and their employees except to the extent it will reduce the amount of fees collected by the Office of the State Bank Commissioner. There will be no negative impact on entities subject to the regulation or the general public.

K.A.R. 17-25-1. Registration and renewal fees. The proposed amendment to K.A.R. 17-25-1 will reduce the amount of fees on credit services organizations in the state of Kansas to submit new or renewal application for licensure. The proposed amended regulation will also abolish the fee for credit services organizations to submit amendment to their license to the Office of the State Bank Commissioner.

There will be no economic impact to the Office of the State Bank Commissioner or other governmental agencies and their employees except to the extent it will reduce the amount of fees collected by the Office of the State Bank Commissioner. There will be no negative impact on entities subject to the regulation or the general public

Deryl Schuster
Bank Commissioner

K.A.R. 17-24-2. Mortgage business fees. At the time of filing any application, ~~or providing~~
~~any notice that requires the amendment of any license or registration~~ pursuant to the Kansas
mortgage business act, K.S.A. 9-2201 et seq. and amendments thereto, each applicant, licensee,
or registrant shall remit to the office of the state bank commissioner the following applicable
nonrefundable fees:

- (a) New or renewal application for each principal place of business
~~or branch office~~..... ~~\$600~~ \$400
- (b) New or renewal application for each branch office \$300
- (c) Application for new ~~or renewal~~ registration as a loan originator ~~\$125~~ \$100
- ~~(e) Amendment of any license or registration~~ ~~\$50~~
- (d) Renewal registration as a loan originator \$50

(Authorized by K.S.A. ~~2008~~ 2013 Supp. 9-2209, ~~as amended by 2009 SB 240, §9~~; implementing
K.S.A. 9-2204, K.S.A. ~~2008~~ 2013 Supp. 9-2205, ~~as amended by 2009 SB 240, §7~~, and K.S.A. 9-
2215; effective, T-17-4-9-99, April 9, 1999; amended Dec. 21, 2001; amended Oct. 2, 2009;
amended P-_____.)

ATTORNEY GENERAL

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K.A.R. 17-25-1. Registration, and renewal, ~~and amendment~~ fees. When filing any application or renewal ~~or providing any notice that requires the amendment of any registration or~~ renewal pursuant to the Kansas credit services organization act, K.S.A. 50-1116 et seq. and amendments thereto, each applicant or registrant shall remit to the office of the state bank commissioner the applicable nonrefundable fee, as follows:

- | | |
|--|-------------------------------|
| (a) Application for initial registration | \$500 <u>\$400</u> |
| (b) Renewal application for registration | \$200 <u>\$150</u> |
| (c) Amendment of any registration | \$25 |

(Authorized by K.S.A. 50-1118 and K.S.A. 50-1128; implementing K.S.A. 50-1118; effective April 4, 2008; amended P-_____.)

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State of Kansas
Office of the State Bank Commissioner

Economic Impact Statement
K.A.R. 17-24-2

I. Summary of Proposed Amendment to Existing Regulation and the Intended Effect.

The Office of the State Bank Commissioner's (OSBC) proposed amendment to K.A.R. 17-24-2 will reduce the amount of fees on mortgage businesses in the state of Kansas to submit new or renewal applications for both principal places of business and branch offices. It will also reduce the fees for mortgage loan originators to submit new or renewal registrations to this office. The amended regulation will also abolish the fee for mortgage business or loan originators to submit amendments to the Office of the State Bank Commissioner. The intended effect of this regulation is to reduce the financial burden on mortgage businesses and loan originators that are licensed or registered in the State of Kansas.

II. Whether the Regulation is Mandated by Federal Law.

This amendment is not mandated by federal law, nor does it exceed the requirements of any applicable federal law.

III. Anticipated Economic Impact on the Office of the State Bank Commissioner, Other Governmental Agencies, Small Employers, Private Citizens or Consumers.

The only cost of the amended regulation will be in the form of decreased fee payments made to the OSBC. The decreased amount of fees paid by the regulated entities will reduce the amount of licensing and registration fees paid into this agency to bring the OSBC budget in line with projected costs for future fiscal years. This amended regulation will not have any impact on other governmental agencies.

The impact of the amended regulation on the regulated entities, many of which are small employers or private citizens, will be positive. The regulation decreases the fees paid by these entities and adds no additional regulatory burden.

IV. Summary of Alternatives Considered and Why Amendment to the Regulation is Necessary.

The proposed amendments constitute the least costly and least intrusive option considered for achieving the regulatory intent of protecting the safety and soundness of Kansas banks.

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Economic Impact Statement
K.A.R. 17-25-1

V. Summary of Proposed Amendment to Existing Regulation and the Intended Effect.

The Office of the State Bank Commissioner's (OSBC) proposed amendment to K.A.R. 17-25-1 will reduce the amount of fees on credit services organization in the state of Kansas to submit new or renewal applications for credit services organization licensure. The amended regulation will also abolish the fee for credit services organizations to submit amendments to their license to the OSBC. The intended effect of this regulation is to reduce the regulatory and financial burden on credit services organizations that are licensed in the State of Kansas.

VI. Whether the Regulation is Mandated by Federal Law.

This amendment is not mandated by federal law, nor does it exceed the requirements of any applicable federal law.

VII. Anticipated Economic Impact on the Office of the State Bank Commissioner, Other Governmental Agencies, Small Employers, Private Citizens or Consumers.

The only cost of the amended regulation will be in the form of decreased fee payments made to the OSBC. The decreased amount of fees paid by the regulated entities will reduce the amount of licensing and registration fees paid into this agency to bring the OSBC budget in line with projected costs for future fiscal years. This amended regulation should not have any impact on other governmental agencies.

The impact of the amended regulation on the regulated entities, many of which are small employers or private citizens, will be positive. The regulation decreases the fees paid by these entities and adds no additional regulatory burden.

VIII. Summary of Alternatives Considered and Why Amendment to the Regulation is Necessary.

The proposed amendments constitute the least costly and least intrusive option considered for achieving the regulatory intent of protecting Kansas consumers while not imposing overly burdensome regulations on Kansas businesses.